

August 14, 1998; Updated 12/16/03 for instructions on coding for TPX addenda and on 1/23/04 to clarify payment information format in record 7 addenda; updated 1/31/05 for clarification of prenote test.
Revised 11/30/06

CCD+ Electronic Funds Transfer for New Hampshire Insurance Department

Contents this document: (This document has layout for **CCD+** type payment see NHID_EFT_CTX.pdf for CTX Format instructions). We accept our own defined addendum format and TPX banking convention addendum format as defined by the Bankers EDI Council.

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New Hampshire Insurance Department (NHID) EFT Account

Will be Deposit Only Zero Balance Account for the New Hampshire Insurance Department.

To Participate:

- Be licensed company or company group representative or surplus lines broker.
- Have software for Automated Clearing House (ACH) Format, including CTX record and addenda format ability. Or CCD+ record and addenda format ability.
- Have sent contact data to PremiumTax@ins.nh.gov: Contact Name, Who contact
- represents Company or Group, Mail Address / Daytime phone / Email Address.
- For payment of other types of fees; send contact data to Business@ins.nh.gov
- Please report any change in Contact Data as soon as possible by same method

WHAT PAYMENT METHODS ARE ALLOWED?

Current payment method accepted is the ACH Credit. Should an emergency arise which prevents a payment from being transmitted please call the Insurance Department at (603) 271- 2261. NHID will be setting up an EFT debit process in time for the March 15, 2004 tax due date.

WHEN DO I MAKE OR ORIGINATE A PAYMENT?

EFT does not change any existing requirements of New Hampshire state law. To be considered timely, your tax payment must be deposited into the state's bank account by the payment due dates. Each financial institution and the Federal Reserve have different processing deadlines. You must check with your financial institution to determine when you should originate your payment so that it will be deposited to the state's account by the required due date to avoid the imposition of penalties. It is generally recommended that the ACH Credit transaction be initiated two days prior to the effective date (due date) of the transaction. Because of timeliness requirements NHID strongly recommends testing.

AUTOMATED CLEARING HOUSE (ACH) CREDIT

WHAT IS THE ACH CREDIT OPTION?

The ACH Credit method allows you to transfer funds by instructing your financial institution (technically referred to as the "Originating Depository Financial Institution") to debit your account and to credit the state's bank account.

IS THERE A COST FOR ACH CREDIT?

You must pay the fees charged by your financial institution for any setup costs and for each ACH Credit transaction initiated.

ARE THERE SPECIFIC RECORD FORMATS?

In order to report your payment correctly, your financial institution must originate your payments using Cash Concentration of Disbursement (CCD) format detail & addenda records. The formats for Record types 5, 6, 7 and 8 are described in detail beginning on page 4 of this guide. You should check with your financial institution to make sure it can transfer your tax payment using this record format.

HOW DO I MAKE OR ORIGINATE A PAYMENT?

Since your financial institution will transfer your payment, you should contact it for the specific procedures you should follow.

TESTING THE SYSTEM BEFORE MAKING A PAYMENT?

New Hampshire Insurance Department recommends a pre-notification (prenote) test to validate the state's bank transit number, bank account number and taxpayer information. All payers participating in this EFT program should complete a successful prenote test at least 10 calendar days prior to the due date of their first EFT payment. **Only one company per group need do a prenote test.**

WHAT IS A SUCCESSFUL PRENOTE TEST?

A successful prenote test means the Insurance Departments financial institution has received a .01 dollar transaction that includes Record 5, Record 6, Record 7 and Record 8 error free. The prenote test should include all fields in each record. You will be notified of any errors in your prenote test and will be asked to send a prenote test until one is error free.

DO I NEED TO SEND A PRENOTE IF I MAKE A CHANGE TO MY BANK OR SOFTWARE?

New Hampshire recommends that you send a new prenote whenever you make a change to your account, financial institution, or software program.

HOW DO I MAKE CORRECTIONS?

If you make an ACH Credit payment and realize after the fact that a mistake has been made, you must contact your financial institution for its correction procedures. Also, please Email PremiumTax@ins.nh.gov or telephone the Insurance Department at (603) 271-2261.

HOW DO I VERIFY TIMELY PAYMENTS?

With the ACH Credit payment method, your financial institution will be responsible for verification of timeliness.

IS THERE ANY PROOF OF PAYMENT?

If proof of payment is required, it is the payer's responsibility to work with its financial institution to obtain verification that funds were transferred from the taxpayer's account into the state's account. Your bank can supply you with a trace number that it generates for the ACH network.

CAN I RECEIVE REFUNDS THROUGH EFT OR REVERSE A PAYMENT?

Refunds will not be issued electronically through the ACH network, at this time (January 2005). NHID will be exploring payment by EFT through the State Treasury for future refunds. No reversals will be allowed except in cases permitted by ACH rules and regulations.

WHAT INFORMATION IN EFT ASURES OBLIGATIONS ARE CREDITED

NHID relies on information contained in the addendum records. Complying with NHID requirements on coding addendum facilitates credit of your account with minimum research.

ADMINISTRATION SCHEDULE

If a payment due date falls on a legal holiday or weekend, the tax payment must be received on the first business day after the holiday or weekend. If your financial institution is closed on a day that you wish to initiate your transfer, you must contact it one day prior to the observed holiday. Financial institution holidays in other states may vary from New Hampshire holidays. In some cases, specific banks may need 48 hours notice to initiate your transaction.

NH State Holiday Schedule:

New Year's Day	Veteran's Day
Washington's Birthday	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Independence Day	Christmas Day
Labor Day	New Year's Day
Civil Rights/M.L.K Birthday	

RECORD FORMATS FOR ACH CREDIT CCD+ FORMAT

The following pages describe the data contained in CCD Entry Detail and Addendum, and Company/Batch Control Records (Records 5, 6, and 7). For complete information on NACHA formats, rules, specifications and definitions, please refer to the NACHA Rule Book.

RECORD 5 COMPANY BATCH HEADER FORMAT

Field	Position	Size	Contents	Data Element Name
1	1-1	1	"5"	Record Type Code
2	2-4	3	"200"	Service Class Code
3	5-20	16	Alphanumeric	Payer Name
4	21-40	20	Alphanumeric	Discretionary Data
5	41-50	10	Alphanumeric	Company ID Number
6	51-53	3	"CCD"	Standard Entry Class
7	54-63	10	Alphanumeric	Company Entry Description
8	64-69	6	YYMMDD	Company Descriptive Date
9	70-75	6	YYMMDD	Effective Entry Date
10	76-78	3	Blank	Settlement Date
10	79-79	1	"1"	Originator Status code
12	80-87	8	Alphanumeric	Originating Bank Number
13	88-94	7	Numeric	Batch Number

If your software permits use the field "Company Entry Description" to describe the type of payment being made via EFT. The requested description to be used in this field is "Premium Tax" or "Assessment", etc. Depending on what payment is for.

RECORD 6 ENTRY DETAIL FORMAT

Field	Position	Size	Contents	Data Element Name/description
1	1	1	6	Record Type Code
2	2-3	2	Numeric	Transaction Code
3	4-11	8	Numeric	Receiving Bank Number
4	12	1	Numeric	Check Digit
5	13-29	17	Alphanumeric	Receiving Bank Account Number
6	30-39	10	\$\$\$\$\$cc	Amount
7	40-54	15	Alphanumeric	Payer ID Number
8	55-76	22	Alphanumeric	Receiver Identification *
9	77-78	2	Alpha	Discretionary Data
10	79	1	Numeric	Addenda Record Indicator
11	80-94	15	Numeric	Trace Number

* When using TXP format addenda records, "Receiver Identification" data element must be the name of the Company that the tax payment in addenda record refers to.

Addenda record indicator will be "1" for both payment and pre-note. NHID requests that no payment be transmitted without an addenda record.

RECORD 7 CCD ADDENDUM FORMAT

Field	Position	Size	Contents	Data Element Name
1	1	1	"7"	Record type code
2	2-3	2	"05"	Addenda type code
3	4-83	80	Alphanumeric	Payment Information (breakdown below)
4	84-87	4	Numeric	Addenda Sequence Number
5	88-94	7	Numeric	Entry Detail Sequence Number

Field 3 "Payment Information":

NHID accepts two different formats in "Payment information"

- Our own specification per below instructions.
- Tax Payment (TXP) banking convention, instructions on next page.

NHID requires the following information be contained in "Payment information" for both our own and TPX formats:

- 1) What is being paid for,
 - a. **PTX** is our shorthand for Premium tax OR
 - b. **071** is the TXP format code for Premium tax.
- 2) Due date of the payment, this needs to be **tax due date** not calendar year.
- 3) Who is being paid for: NHID greatly prefers addenda contain the **NAIC Company code**; for TPX formatted records **we define the five digit NAIC company code as your Tax Id**. We accept the use of FEIN or National Producer Number, if your organization doesn't have an NAIC Company code; this would be the case for Surplus Lines brokers.

NHID requests that if your software permits, that contact information for payment be included in payment information.

ACH Network banking conventions employ an asterisk (*) as a data element separator and a backslash (\) as a terminator.

NHID defined Format for Field 3 "Payment Information":

Item 1: PTX*

Item 2: <Due Date>* YYMMDD or m/d/yy

Item 3: <NAIC Company Code>* Is 5 character code assigned by NAIC

Item 4: <Company Name>* Truncate as needed to < 40 characters

Item 5: <Contact info>\ Contact Name & phone #

Example: PTX*070315*12345*Company Name*John Doe603.271.2261\

NHID has been informed that some commercial CCD+ software reserves positions 4–6, for the text "NTE" in that case just right justify the "PTX" text and the respective data items.

Example: NTEPTX*070315*12345*Company Name*John Doe 603-271-2261\

TPX format alternative:

When using TXP format the Name of the Company paid for is obtained from the Record 6 detail record.

Format for Field 3 “Payment Information”:

Item 1: TPX* The letters “TPX”
Item 2: <NAIC Company Code>* Is 5 character code assigned by NAIC
Item 3: <Tax code>* See ACH tax type code table below
Item 4: <Due Date>* YYMMDD see due dates in table below
Item 5: T* The letter “T” for tax
Item 6: <Amount Due>(* or \) \$\$\$\$\$\$cc
Items 7 through Items 10: (interest and penalty are not needed) \

“TPX” + * + “tax payer id” + * + “tax type code” + “*” “due date” + * + “T” + “tax amount (\$\$\$\$cc)” + * + “I” * + \$cc + * + P + * + \$cc + “\”

Examples (dummy NAIC code 12345, premium tax, due 3/15/2007, for \$200):

TXP*12345*07103*070315*T*0000020000\

TXP*12345*07103*070315*T*0000020000*I*000*P*000\

The TPX convention has 3 char tax type code and permits a two char state extension. NHID has determined to tie the extensions to 071(premium tax code) to event & due date as follows:

ACH

Tax type Code	Related Event	Due Date	YYMMDD 2007
07101	Surplus lines tax due	January 31	070131
07103	Licensed company premium tax	March 15 th	070315
07105	Ocean Marine tax	May 1 st	070501
07107	Administrative assessment due	July 1 st	070701
07119	Company amendments & audit assessments (Original due date of filing)		

GLOSSARY OF ACRONYMS/TERMS

ACH - "Automated Clearing House" means any entity that operates as a clearing house for electronic debt or credit entries pursuant to an agreement with an association that is a member of the National Automated Clearing House Association.

ACH Credit - The "ACH Credit" is one means by which money is transferred electronically through the Automated Clearing House (ACH) Network. An ACH credit transaction is one in which the payer, through its bank, originates an entry crediting the state's designated bank account and debits its own bank account for the amount of the payment.

CTX – “Corporate Trade Exchange” Credit or debit entries originated by an originator to pay or collect an obligation. CTX entries may be accompanied by up to 9.9999 Addenda Records.

CCD +/- "Cash Concentration of Disbursement" CCD + entries are accompanied by one addenda record.

EFT - "Electronic Funds Transfer" is a term that identifies any system used to transfer payments or funds electronically. EFT refers to any transfer of funds, other than a transaction originated by check, draft or similar paper instrument, that is initiated through an electronic terminal, telecommunications instrument, computer or magnetic tape, to order, instruct or authorize a financial institution to debit or credit an account.

FRB - "Federal Reserve Bank" is the central banking system of the United States, consisting of 12 regional reserve banks and member depository institutions that are subject to Reserve requirements.

NACHA - The "National Automated Clearing House Association" is the organization that establishes the standards, rules and procedures that enable depository financial institutions to exchange ACH payments on a national basis.

NAIC – The “National Association of Insurance Commissioners”

NHID – The “New Hampshire Insurance Department”.

ODFI - The "Originating Depository Financial Institution" is the organization that originates ACH entries at the request of, and by agreement with, its customers. ODFI's must abide by the provisions of the NACHA Operating Rules and Guidelines.

Prenote Test - This test is a zero-dollar entry sent through the ACH network to verify banking information.

Settlement Date - The date an exchange of funds, with respect to an entry, is reflected on the books of the Federal Reserve Bank.